

STATE OF NEW YORK )  
COUNTY OF NEW YORK )  
ss.: )

## AFFIDAVIT

1. I, Vinod Khurana, being duly sworn, and under penalty of perjury, testify as follows:
    2. I make this affidavit in support of my motion for a relator's share of the City of New York's recovery of \$500.4 million dollars in settlement funds from Science Applications International Corporation ("SAIC") for their fraud and deception in connection with the City's purchase of a computer software system known as "CityTime."
    3. The recovery was agreed to by SAIC through a Deferred Prosecution Agreement entered into with United States Attorney, effectively settling my qui tam action.
    4. I had first-hand knowledge regarding City Time because I worked for Spherion, a subcontractor on CityTime, as senior load/performance engineer, a tester of the application between 2004 and 2007.
    5. What I saw first hand disgusted me because it was clear to me that the project was a rip off and that the consultants who were charged with creating CityTime knew it wouldn't work but kept the project going to "bilk" the system. So I blew the whistle on them first internally, then in the media, and ultimately by sharing with investigators all my information and contacts.
    6. I was trained to understand computers and complex computer programs/systems. I obtained a degree in Computer Science from the University of Toronto in May, 1984. I have over 20 years of practical experience developing and testing large scale applications.

7. Prior to being hired to consult on CityTime, I worked extensively in the computer industry from 1984 to the present.

8. I am an honorable and honest man. . I have never been arrested. The only job I was ever discharged from was from Spherion because I told the truth to my superiors there about CityTime.

9. In August 2004, I was hired by Spherion as an automation consultant. Spherion was a subcontractor designated by the primary contractor SAIC to oversee quality assurance in the CityTime project. CityTime was a project to design and implement software to automate timekeeping and payroll for all New York City agencies.

10. In order for the CityTime program to work it needed to support many thousands of users simultaneously and so in November 2004, I ran load performance tests on the system. I determined that the software application could only support 20 concurrent users, a far cry from the 2,000 that was goal for the pilot and the ultimate 160,000 concurrent users that was contemplated for a fully effective system.

11. At this point, in November 2004, CityTime was already five years into development and had cost the City hundreds of millions of dollars. The tests I ran showed without doubt that the system was unable to perform at its most basic level.

12. December 2004 marked the first time I communicated my grave concerns to my superiors. I alerted Scott Berger who worked for MS Creative, a sub-contractor of my firm Spherion, SAIC Project Manager, Mike Fayerman, OPA senior manager, Sarah Gujal, Mark Mazer and Joel Bondy, the Executive Director of the City's Office of Payroll Administration (OPA), the city agency responsible, that the program was not performing. Remarkably, in a

subsequent follow up meeting with the subcontractor Berger and Mark Mazer another subcontracting consultant admitted in front of Director Bondy that they “knew the application was going to fail.”

13. These other subcontractors were presented to me as my superiors and they ignored my warnings. Bondy, the City OPA agency Director also ignored me. I went to other managers in the agency, speaking with Fahanna Lackawana and her manager, Sarah Gujal, about the system’s failure at the most basic level.

14. Since my concerns were being ignored within the CityTime command structure, I then went beyond OPA and alerted members of another City agency, the Financial Information Systems Agency (FISA) because I believed that they had the background to understand the significance of my findings and the independence from the consultants to take action. I sought out Sue Amedio and Rajeev (I do not remember his last name). As a result of our conversations, FISA management began to question the efficacy of CityTime.

15. That certainly had an impact, just not the one I wanted. Shortly after I went to FISA I was denied access to undertake load tests on CityTime. Scott Berger told me not to share load tests or any sub-par performance data with FISA, but only with him. I was then marginalized and given trivial work assignments.

16. In my place SAIC and the consultants Mazer and Berger brought in Jeff Boldia, who came from within SAIC to do quality assurance. This was improper because Spherion was supposed to do the quality assurance of SAIC. Under pressure from SAIC management Boldia provided false information to FISA that inflated the software’s capacity to handle simultaneous users. Boldia admitted to me in private that software could not even handle several dozen

concurrent users. Boldia revealed to me that he applied "lipstick" (his phrasing) to the report so that the numbers looked better than they actually were.

17. As I continued to be on the periphery of the project I observed things that only increased my suspicion of fraud. I learned that another subcontractor DA Solutions was run by Mark Mazer's wife. I saw repeated small scale waste of city resources on a daily basis. And I was not shy about telling my colleagues that I suspected that Mazer and Berger were committing fraud, perhaps through a kickback scheme with Bondy. For this I was fired.

18. Despite being fired I kept in touch with some of my former colleagues who worked on the project. Through that pipeline, I learned in January 2009 that the project still had not made progress on the critical concurrent user issue. I became even more determined to expose the truth. So on January 31, 2009 I posted an online CNN iReport called "Waste/abuse at the City of New York...an insider story" under the pseudonym "NewYorker1968" and later "newyorker23". The report stated, in part:

1. Over 100 external consultants from SAIC, Spherion and other agencies billing minimum of \$50/hr. The highest is \$175/hr.
2. The project in its 5th year was a failure and should have been canned but Joel Bondy for some reason or another (blindsighted) decided it must go on for another 5 yrs. I observed how nervous he looked in some meetings.
3. No doubt this was the BIGGEST lottery landing a job here but as time went on, I along with others started realizing there was nothing really coming of this. Mark Mazer and Scott [Berger] had ONLY one main intent...to pocket the \$/hr for themselves for as long as possible @ taxpayer expense.
4. We were told specifically when other City officials visited us NOT to "bad" mouth the project...we all along with management KNEW very well this was going to be a complete failure.

19. The next day, February 1, 2009, by email I sent a complaint to the City in the form of two page single spaced letter addressed to the City's Department of Investigation. I know that the City received my report because the City's Department of Investigation responded to my complaint on March 11, 2009. The complaint was similar to my CNN iReport.

20. After my DOI filing, I continued to campaign against this fraud mostly by commenting on-line in articles discussing fraud. News about the CityTime fraud began to appear in the media, particularly the New York Daily News. In articles by Mr. Gonzalez and his colleagues, I posted an extensive and detailed series of comments that exposed the detailed inner-workings of the CityTime contract, such as the following excerpted examples:

I was one of those 'CityTime' consultants for a number of years. I will if called in as a witness by the FBI or Manhattan Attorneys Office testify that management from the top down KNEW since 2005 that this project was going to fail. Specifically, I was told by Mark Mazer and Joel Bondy sitting two feet in front of me and very clearly in one sentence: 'We know this project is going to fail.'  
~ New York Daily News, Mar. 27, 2010, 3:07 PM, username: Newyorker1968

I would like to suggest that the media or the comptrollers office contact FISA director and senior managers located on the 1st floor of the AP building @ 33rd and 10th. I promise you will get all the information you want on the warning signs that Joel Bondy (for whatever reason) and SAIC and Spherion (for purposes of extending the contract into 2012) ignored starting in 2005 and lasting well into 2006. ~ Comment on 'Consultants' getting \$722M from city for doomed CityTime computer project, New York Daily News, Mar. 27, 2010, 3:57 PM, username: newyorker1968

The Sept 2010 deadline will NOT be met. I have been hearing this since 2006 and we are into 2010. The consultants were always in charge of the project (Mark Mazer, Scott Berger, Mike Ferman and a few other SAIC managers), and if any manager from the City approached us (Sarah in particular) she was placed on the back burner by Joel Bondy via Mark Mazer...her common appearances at the beginning of the project were suddenly no more beginning 2008. Almost as though she had been 'shifted' so that

status quo could be maintained. ~ Comment on 'Overbilled' city should get refund, CityTime should be probed, says Brooklyn pol Letitia James, New York Daily News, March 31, 2010 at 7:43 PM, username: newyorker1968

The media/Investigation team needs to interview the Director of FISA (Financial Information Systems Agency) who was present in many of the "this project is bound to fail" meetings. The name eludes me but he was Director from 2005+ and for years prior. A direct report to him was a senior FISA manager who went by the name of "Sue" and was one of the main persons concerned about this projects failure way back in 2004. They never gave up posting warnings year after year and finally gave up sometimes in 2007 when CITYTIME staff moved out of the AP building and into their own space on 31st Street. Wonder how much that space is costing taxpayers...2 -3 full floors of CityTime staff and most recently City staff including Joel Bondy and Sarah. A company by the name of DS Solutions should also be investigated to determine if there were any ties between its owner (supplier of contracts) and Mark Mazer. There were many rumors among the senior consultants circulating the floor by no one dar [sic] ~ Comment on 'Consultants' getting \$722M from city for doomed CityTime computer project, New York Daily News, April 1, 2010, 6:16 PM, username: newyorker1968.

21. Indeed my April 1, 2010 comment identified a kickback scheme between Mazer and a company called DS Solutions. I was correct about the scheme, although the actual name of the shell company was DA Solutions (the company run by Mazer's wife and her uncle).

22. Also in April 2010, the City's Comptroller's Office began to reach out for me to discuss my accusations. The Comptroller's representative, Nikolaos Leonardos contacted me though a message on the CNN iReport and on a Daily News article where I posted. Leonardos wrote to me that "I have read your comments and would appreciate any insight that you would be able to provide us with." Unfortunately, because Leonardos used the nickname "OuttaControl" in sending the message, I didn't realize that the sender was with a government office until after I filed my qui tam complaint in January, 2011.

23. Finally, in December of 2010 the U.S. Attorney's Office brought a criminal indictment against Mark Mazer and Scott Berger. This was more than 3 years after I went to the City's OPA and FISA to express my concerns and more than 1 ½ years after I posted on CNN iReport and sent the City DOI a copy of my reports. I was pleased that the indictment included the kickback scheme involving DA Solutions that I publicly identified in a posting on April 1, 2010 that the Comptroller's office had reviewed.

24. However, the criminal complaint did not identify SAIC, Technodyne, Reddy Allen and others I had identified (or soon thereafter did identify) to the government as being directly involved. Also, it undervalued the depth of the fraud, valuing it at merely \$80 million dollars.

25. Just after the criminal complaints became public, I again contacted the DOI. On December 22, 2010. I had an in-person meeting with DOI investigators Michael Siller and Andrea Hecht for several hours and provided them a detailed accounting of my knowledge and experiences from working on the CityTime project. I laid out for them the chain of command that implicated SAIC as the party ultimately responsible for the fraud. I also provided the investigators with a flash drive containing relevant emails and load test results (produced by SAIC personnel) from December 2004 to February 2005 which illustrated the performance failure of the project.

26. I also showed them why Technodyne should be a target of their investigation. I laid out Technodyne's exact role in relation to Prime View and DA Solutions. In an email I sent to DOI on December 23, 2010 I wrote, "This whole operation makes Technodyne a front for both PrimeView and DA Solutions providing staff to CityTime. Technodyne's owner [Reddy Allen]

should be considered a point of interest for this investigation.”

27. As I said, I kept in touch with former CityTime colleagues. I relayed to DOI information that SAIC employees I knew suspected that SAIC managers and the OPA Executive Director, Joel Bondy, were receiving kickbacks from Technodyne’s Reddy Allen. For example, between March 2011 and April 2011 I relayed information from Phyllis John and Holten Norris Forbes that SAIC employees suspected that SAIC managers and Joel Bondy were receiving kickbacks from Technodyne’s Reddy Allen. Months later, the United States filed a superseding indictment making the same allegations.

28. I further helped DOI by convincing many of my former colleagues to assist their investigation. Former project consultants Phyllis John, Sanjay Aria and Holten Norris Forbes voluntarily came forward to provide assistance at my urging, as did a former SAIC employee I communicated with that I only know as Hayden. Also I convinced Jeff Boldia, the former SAIC employee who took over my duties as project tester, to come forward and testify against SAIC.

29. I also provided investigators with important evidence. Obviously I gave them emails and correspondence I sent internally in 2005 regarding system failure. I also provided them audio recordings of phone calls where SAIC contractors described fraudulent billing conduct. In all, I provided hundreds of pages of documents, over 130 pages of emails, the identities of dozens of witnesses, over 60 minutes of recorded conversations with witnesses and over 70 figures of data and load test results. Additionally my emails with City DOI did the following:

- Laid out the exact role of Technodyne in relation to PrimeView and DA Solutions.
- Implicated SAIC for looking at the CityTime project as a “gravy train” and

asserting that SAIC made the project much more complex than it needed to be.

- Arranged witnesses willing to speak with the DOI.
- Provided load test results and emails indicating that senior executives knew or should have known that the CityTime software was not performing as anticipated.
- Drafted floor plans to visually explain where certain events occurred throughout the building.
- Explained that Rekha Basu, a co-worker who was friendly with Mazer and Berger, told Khurana not to repeat his suspicions.
- Provided details in support of the false time sheets allegations as relayed to Khurana by a colleague named Prasshant Patel.
- Disclosed a project called “CHARMS” which was also run by OPA but not related to CityTime, which Scott Berger directed CityTime consultants to work on.
- Obtained tape-recorded phone conversations with CityTime consultants Prasshant Patel and Hayden.

30. I communicated with City investigators throughout the end of 2010 and early 2011. In January of 2011, I initiated proceedings under the New York City False Claims Act and filed this New York State False Claims Act case in April 2011. My complaints made much broader allegations of fraud, waste and mismanagement than the kickback allegations disclosed in the criminal complaints. My complaints laid out the fraudulent scheme and the key players in specific detail. My qui tam complaints stated that the CityTime project was tainted with fraud because of SAIC's conduct.

31. As my CNN iReport garnered publicity, I was subjected to public threats and intimidation by members of Scott Berger's family.

32. In June 2011, the United States filed a superseding indictment against eight

individuals and one company related to the complicated kickback scheme. The U.S. Attorney confirmed that the new indictment was based on information discovered or developed since the December 2010 complaint.

33. While the superseding indictment did not name SAIC, it did follow the chain of command and evidence that I laid out in my previous communications. The indictment's addition of an SAIC manager, Reddy Allen, P.Allen, and Technodyne are notable because they are people I identified to DOI. The indictment noted that in 2005 and 2006, the CityTime contract was changed from a "fixed price" contract to a "fixed price level effort" contract, which effectively shifted overage costs from SAIC to the City.

34. Finally, in 2012, the United States entered into a deferred prosecution agreement with SAIC under which the company agreed to pay the City restitution of \$500.4 million dollars. My attorney tells me that the agreement effectively settles my *qui tam* against SAIC.

35. I am pleased that SAIC was finally held accountable. For eight years prior to the Deferred Prosecution Agreement, as laid out in the paragraphs above I had been loudly and repeatedly "blowing the whistle" on SAIC. While the mayor denied there was a problem and investigators focused on lower levels of fraud in the CityTime project, I consistently led anyone who was interested to the top of the scheme and the big money involved. My statements, evidence and assistance at some level helped the system overcome, denial, indifference and ignorance by providing a road map of the fraud, my own evidence of the fraud, and contacts with other people who provided evidence of the fraud. I was pleased and proud to have helped.

Vinod Khurana  
Vinod Khurana

Sworn to before me this  
1st day of April 2013

Leana Ramirez  
Notary Public

